Violation of DPCO

1092. SHRI KHAN GHUFRAN ZAHIDI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government's attention has been drawn towards the violation of DPCO, by selling the products in the name of Small Scale Company, by some big Pharmaceutical Companies; and

(b) if so, what are the details thereof and what action has been taken against the companies for violation of DPCO?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SUKHDEV SINGH DHINDSA): (a) and (b) Vide Notification No. S.O. 134(E) dated the 2nd March, 1995, issued under the Drugs (Prices Control) Order, 1995 (DPCO, 1995) small scale units are exempted from the operation of paragraph 8 of the DPCO' 95, subject to the conditions specified in the said notification. As and when reports regarding marketing of scheduled formulations by organized sector units, which are manufactured by SSI units without seeking price approval under the DPCO' 95, are received by the NPPA, it takes appropriate action, which is an ongoing process.

Closure of Sick Fertilizer Units

1093. MISS MABEL REBELLO: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the names of fertilizer units in the country, declared sick during the last three years;

(b) the names of fertilizer units that would be closed during the next three years; and

(c) whether self-sufficiency of the country in fertilizer production would be affected by their closing down; if so, to what extent and the justification thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) and (b) The Hindustan Fertilizer Corporation Ltd. (HFC), Fertilizer Corporation of India Ltd. (FCI), Projects and Development India Ltd. (PDIL) were declared sick by the Board for Industrial

and Financial Reconstruction in 1992 and Pyrites, Phosphates and Chemicals Ltd. (PPCL), in 2000. Government have decided to close down HFC, FCI excepting its Jodhpur Mining Organisation, and Dehradun and Saladipura units of PPCL.

(c) At the time of taking the decision, none of these units was in operation so as to have any effect on the availability of urea fertilizers in the country.

Vintage Allowance to Fertilizer Units

1094. MISS MABEL REBELLO: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) Whether private sector fertilizer plants have stopped getting vintage allowance from Government; if so, whether it would render the urea units financially weak;

(b) if so, what steps Government propose to take to assist these units;

(c) how much money Government are trying to recover from the fertilizer industry which was given to them by way of vintage allowance; and

(d) the names of the companies and the outstanding dues against each of them?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) to (d) Vintage Allowance of 5% each both in respect of capacity utilization and consumption norm for urea units, whether in the private sector or in public sector/cooperative sector that had been in operation for ten years or more, was introduced during the V Pricing Period w.e.f. 1.4.1988 as one of the policy parameters within the overall framework of Retention Price Scheme. The policy parameters/norms including Vintage Allowance for the V Pricing Period were continued for the VI Pricing Period i.e., up to 30.6.1997. After consideration of all relevant issues, the Government decided to withdraw Vintage Allowance in phases during VII Pricing Period, i.e. 5% Vintage Allowance has been allowed during 1997-98, 4% during 1998-99 and 2% during 1999-2000. Thus, Vintage Allowance has been completely withdrawn w.e.f. 1.4.2000 as the actual performance of the urea units both in respect of capacity utilization and consumption norms did not justify continuation of Vintage Allowance any longer.

The names of urea units, which have availed Vintage Allowance, are given in the enclosed statement. (*See* below). The amount of money on this account,